

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 L-02 OES-05 H-02 PM-03 INR-07

SP-02 SAM-01 SS-15 PRS-01 RSC-01 /059 W

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R 131605Z JAN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 5801

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS SECTION 01 OF 02 PARIS 00918

STADIS

E.O. 11652: N/A

TAGS: ENRG, FR

SUBJECT: FRENCH PETROLEUM PRODUCT PRICES AND TAXES

REF: STATE 1950; PARIS 00574

1. GOF ADMINISTERS COMPLEX SYSTEM OF MAXIMUM PRICES
FOR PETROLEUM PRODUCTS SOLD ON FRENCH MARKET. MAJOR
TAXES AND FEES ARE:

A) EXCISE TAX - THIS IS A REVENUE TAX CHARGED BY
THE GOF ON MOST PRODUCTS ENTERING THE DOMESTIC MARKET
FROM THE REFINERIES.

B) VALUE ADDED TAX (TVA) - 17.6 PERCENT ON MAJOR
PRODUCTS. AS THE ACTUAL PERMISSIBLE RETAIL PRICES
OF PRODUCTS VARY BY REGION (REPRESENTING DISTANCE
FROM MAJOR SUPPLY POINTS) AND SOME TIMES BY QUANTITY
DELIVERED, WE HAVE SHOWN PARIS AREA PRICES, AND
SPECIFIED QUANTITIES WHEN APPROPRIATE.

C) SUBSIDY FOR THE FRENCH PETROLEUM INSTITUTE
(IFP) - THE GOF AND THE OIL CONSUMER SUPPORT R AND D
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ACTIVITIES OF THE IFP THROUGH A SPECIAL FEE COLLECTED

ON THE SALE OF MOST PETROLEUM PRODUCTS AND TRANSFERRED TO THE IFP BY THE OIL COMPANIES.

D) SUBSIDY FOR THE ENERGY SUPPORT FUND - THIS GOVERNMENTAL FUND IS ALSO SUPPORTED THROUGH COLLECTION OF A FEE CHARGED TO THE CONSUMER ON THE SALE OF A NUMBER OF PRODUCTS. THE FUND IS USED TO SUPPORT GOVERNMENT ENERGY R AND D GOALS - FOR EXAMPLE, IT HAS BEEN USED IN PAST TO HELP FINANCE SPECIAL RESOURCE DEVELOPMENT STUDIES, DEVELOPMENT OF UNDERWATER TECHNOLOGY, OR ESTABLISHMENT OF NEW INSTITUTIONS IN THE R AND D FIELD.

E) STOCK SUPPORT FEE - ALTHOUGH THIS SPECIAL FEE IN FACT RETURNS TO THE OIL REFINERS TO REIMBURSE THEM FOR COSTS INCURRED IN MAINTAINING OIL STORAGE FACILITIES, WE HAVE INCLUDED IT AS A TAX ON THE FINAL CONSUMER AS IT IS IMPOSED BY THE GOF IN SUPPORT OF ITS POLICY OF MAINTAINING A 90-DAY NATIONAL OIL STOCK.

F) VARIOUS CUSTOMS AND TAX COLLECTION FEES CHARGED ON CERTAIN PRODUCTS. THE REASONS FOR CHARGING THESE ON ONLY A SMALL NUMBER OF PRODUCTS ARE NOT CLEAR TO US, BUT THEY ARE IN ANY EVENT MINOR.

G) A PARA-FISCAL TAX CHARGED ON HIGH-TEST GASOLINE AND SOME LIGHT OILS - THIS TAX, THE PROCEEDS OF WHICH GO TO THE NATIONAL ENERGY FUND, WAS IMPOSED IN 1974 WITH APPARENT INTENT TO SOP UP THE WINDFALL PROFITS WHICH IT WAS CLAIMED THE COMPANIES MADE AS A RESULT OF THEIR INVENTORY REVALUATION FOLLOWING OPEC PRICE RISES. IT HAS, HOWEVER, BEEN CONTINUED IN 1975 THOUGH AT A LOWER RATE. NOT COUNTED ON ANY OF THE TAX OR PRICE-BREAKDOWN TABLES, IT IS APPARENTLY CHARGED TO THE COMPANIES AS A COST ITEM IN THE NEGOTIATION OF THE EX-REFINERY PRICES. WHAT USE WILL BE MADE OF THE MONEY THUS COLLECTED IN THE ENERGY FUND HAS NOT YET BEEN ANNOUNCED.

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2. PRICES AND TAXES ON MAJOR PRODUCTS FOLLOW (CENTS PER - \$1 FF 4.40 - U.S. GAL. UNLESS OTHERWISE STATED):

REGULAR GASOLINE PRICE	145.21
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EXCISE TAX	60.25
SUPPORT FUND	.07
IFP SUBSIDY	.16

STOCK MAINTENANCE	.09
TVA	21.79
TOTAL TAX	82.36

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INFO OCT-01 EUR-12 ISO-00 L-02 OES-05 H-02 PM-03 INR-07

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FM AMEMBASSY PARIS

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UNCLAS SECTION 02 OF 02 PARIS 00918

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HIGH TEST PRICE	157.22
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EXCISE TAX	63.49
SUPPORT FUND	.07
IFP SUBSIDY	.16
STOCK MAINTENANCE	.09
PARA-FISCAL TAX	2.58
TVA	23.36
TOTAL TAX	89.75

JP-4 PRICE	47.65
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EXCISE TAX	3.39
CUSTOMS STAMP	.07
FEE FOR TAX COLLECTION	.01
TVA	5.20
TOTAL TAX	9.22

KEROSENE PRICE 93.66

EXCISE TAX 29.12

IFP SUBSIDY .16

TVA 14.01

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TOTAL TAX 43.29

DIESEL FUEL PRICE 99.68

EXCISE TAX 36.41

IFP SUBSIDY .18

STOCK MAINTENANCE .05

TVA 7*.91

TOTAL TAX 52.03

HOME HEATING OIL PRICE

(DELIVERED IN 14-27,000 LITER QUANTATIES)

EXCISE TAX 1.87

IFP SUBSIDY .23

TVA 5.56

TOTAL TAX 9.17

RESIDUAL NO. 2 (ABOVE 2 PERCENT S) PRICE 33.72

IFP SUBSIDY .25

STOCKS MAINTENANCE 2.95

TVA 62.24

TOTAL TAX 5.30

BUTANE - ANNUAL CONTRACT PRICE PER KILO 24.06

TOTAL TAX (TVA ONLY) 3.63

PROPANE - ANNUAL CONTRACT PRICE PER KILO 26.15

TOTAL TAX (TVA ONLY) 3.86

LUBE OILS (WHOLESALE PRICE) 94.05

EXCISE TAX 29.29

TVA 14.62

TOTAL TAX 35.91

3. ACCORDING TO RECENT INDUSTRY ASSOCIATION FIGURES,
TAXES CHARGED IN OCTOBER ACCOUNTED FOR 36 PERCENT
OF RETAIL VALUE OF BARREL OF PETROLEUM PRODUCTS IN
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FRANCE, I.E. \$9.62 OUT OF TOTAL VALUE OF \$26.67.

(ABOVE FIGURES DETERMINED AT TON 7BBL CONVERSION

AND AT OCTOBER DOLLAR-FRANC EXCHANGE RATE OF \$L 4.6FF.

IF PRESENT RATE OF \$L 4.4FF USED, TAX TAKE WOULD BE

\$10.05.)

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